

121.140 Investigation of complaint -- Conciliation agreement hearing -- Decision and order-- Appeal from order -- Reference for possible prosecution -- Judicial review.

- (1) Upon the sworn complaint of any person, or on its own initiative, the registry shall investigate alleged violations of campaign finance law. In conducting any investigation, the registry shall have the power of subpoena and may compel production of evidence including the financial records of any person determined by the registry to be vital to the investigation. The records subject to subpoena include, but are not limited to, a person's bank records and other relevant documents, but excluding individual and business income tax records.
- (2) If the registry concludes that there is probable cause to believe that the law has been violated, the registry shall notify the alleged violator of its conclusions and the evidence supporting them, and shall offer the alleged violator a conciliation agreement to resolve the issue. A conciliation agreement may require the alleged violator to comply with one (1) or more of the following:
 - (a) To cease and desist violations of the law;
 - (b) To file required reports or other documents or information;
 - (c) To pay a penalty not to exceed one hundred dollars (\$100) a day, up to a maximum total fine of five thousand dollars (\$5,000), for failure to file any report, payment of an administrative fee, or other document or information required by law until the report, fee payment, document, or information is filed; except that there shall be no maximum total fine for candidates for statewide office; or
 - (d) To pay a penalty not to exceed five thousand dollars (\$5,000) per violation for acts of noncompliance with provisions contained within this chapter.
- (3) To accept a conciliation agreement, an alleged violator shall deliver the signed agreement to the registry either in person or by mail postmarked not later than ten (10) days after the day he received it. The registry may institute a civil action in Franklin Circuit Court or the Circuit Court for the county of the violator's residence to enforce the provisions of any conciliation agreement accepted by a violator who is not complying with its provisions.
- (4) If the alleged violator declines to accept the conciliation agreement or fails to respond within the time allowed, the registry shall submit a written request to the Chief Justice of the Kentucky Supreme Court to recommend not fewer than five (5) nor more than ten (10) retired or former justices or retired or former judges of the Court of Justice who are qualified and willing to conduct a hearing to determine if a violation has occurred. Upon receipt of the recommendations of the Chief Justice, the registry shall randomly select one (1) retired or former justice or judge from the list to conduct the hearing, which shall be held in accordance with the Kentucky Rules of Civil Procedure, or, if the Chief Justice declines to make recommendations, the registry, on its own initiative, shall request retired or former justices or judges to serve. The time and location of hearings shall be determined by the registry. Retired or former justices or judges selected to serve shall receive

reimbursement from the registry for their reasonable and necessary expenses incurred as a result of the performance of their duties at the hourly rate set for attorneys by the Finance and Administration Cabinet. The registry shall notify the complainant and the alleged violator that a hearing shall be conducted of the specific offenses alleged not less than thirty (30) days prior to the date of the hearing. At the hearing, which shall be open to the public pursuant to KRS 61.810, the attorney for the registry shall present the evidence against the alleged violator, and the alleged violator shall have all of the protections of due process, including, but not limited to, the right to be represented by counsel, the right to call and examine witnesses, the right to the production of evidence by subpoena, the right to introduce exhibits and the right to cross-examine opposing witnesses. If the justice or judge determines that the preponderance of the evidence shows a violation has occurred, the justice or judge shall render a decision not more than sixty (60) days after the case is submitted for determination. The decision shall become the final decision of the registry unless the registry board at its next regular meeting acts to set aside or modify the justice's or judge's decision, in which case the registry board's decision shall become the final registry decision. A party adversely affected by the registry's order may appeal to Franklin Circuit Court within thirty (30) days after the date of the registry's order. The violator may be ordered to comply with any one (1) or more of the following requirements:

- (a) To cease and desist violation of this law;
 - (b) To file any reports or other documents or information required by this law;
 - (c) To pay a penalty not to exceed one hundred dollars (\$100) a day, up to a maximum total fine of five thousand dollars (\$5,000), for failure to file any report, payment of an administrative fee, or other document or information required by law until the report, fee payment, document, or information is filed; except that there shall be no maximum total fine for candidates for statewide office; or
 - (d) To pay a penalty not to exceed five thousand dollars (\$5,000) per violation for acts of noncompliance with provisions contained within this chapter. An appeal of an order shall be advanced on the docket to permit a timely decision.
- (5) If the registry concludes that there is probable cause to believe that the campaign finance law has been violated knowingly, it shall refer the violation to the Attorney General or the appropriate Commonwealth's or county attorney for prosecution. The Attorney General may request the registry's attorney or the appropriate county or Commonwealth's attorney to prosecute the matter and may request from the registry all evidence collected in its investigation. In the event the Attorney General or the appropriate local prosecutor fails to prosecute in a timely fashion, the registry may petition the Circuit Court to appoint the registry's attorney to prosecute, and upon a motion timely filed, for good cause shown, the court shall enter an order to that effect. Prosecutions involving campaign finance law violations, in which the reports are required to be filed in Frankfort, may be conducted in Franklin Circuit Court or in the Circuit Court for the county in which the contribution or expenditure constituting a campaign finance violation was solicited, made, or accepted. The

prosecution of a person who unlawfully solicits, makes, or accepts a contribution or expenditure through the use of the mail may be conducted in the Circuit Court for the county in which the solicitation is mailed, the county in which the contribution is mailed or received, or the county in which the expenditure is mailed.

- (6) Any person directly involved or affected by an action of the registry which is final, other than of a determination to refer a violation to the Attorney General or appropriate Commonwealth's or county attorney for prosecution, may seek judicial review of the action within thirty (30) days after the date of the action.
- (7) If judicial review is sought of any action of the registry relating to a pending election, the matter shall be advanced on the docket of the court. The court may take any steps authorized by law to accelerate its procedures so as to permit a timely decision.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 109, sec. 1, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 458, sec. 7, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 288, sec. 46, effective July 14, 1992. -- Amended 1988 Ky. Acts ch. 341, sec. 42, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 100, sec. 3, effective July 15, 1986. -- Amended 1980 Ky. Acts ch. 292, sec. 5, effective July 15, 1980. -- Created 1974 Ky. Acts ch. 253, sec. 3.

Legislative Research Commission Note. Because of the similarity in the substance of 1988 Acts ch. 341, sec. 19, and the last sentence of (3) of this section, 1988 Acts ch. 341, sec. 19 has been treated as an amendment rather than a newly created section.